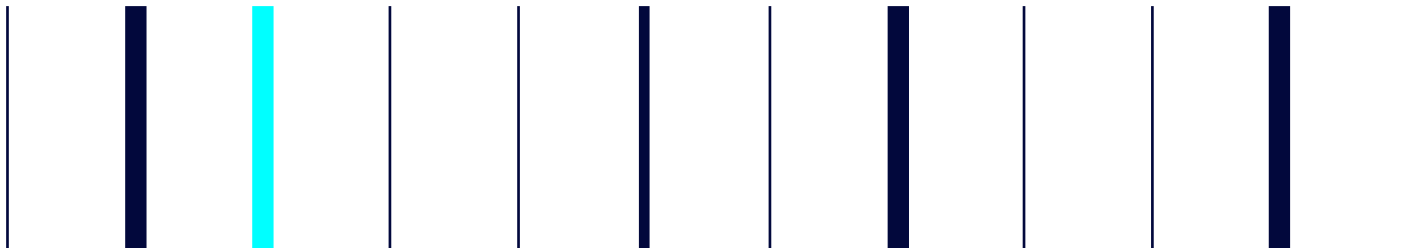


Defence Annual Review

2023/24





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Executive introductions



I am hugely proud of the work our teams are delivering in defence of the realm. From the outstanding transformation and modernisation of Royal Navy training; to our steadfast RPP (Recruitment Partnership Project) team

working in partnership with the Army; to the Defence Fire and Rescue teams central to protecting critical sites for defence.

Our footprint is nationwide: from Faslane to Plymouth. We're proudly woven into communities across the country with our network of over 60 recruitment centres, working in partnership with the Army to help young people take their first steps into recruitment.

I recently had the privilege of visiting Team Fisher at HMS Collingwood, Fareham, where Capita leads the Selborne consortium delivering education and training transformation in partnership with the Royal Navy. I met with some of the c.1,000 Royal Navy staff and 600 Capita educators who have the responsibility of preparing sailors to be fit for deployment, sometimes in a matter of weeks. This was incredibly inspiring and humbling.

I had the opportunity to observe the new Bridge Trainer simulator, one of a suite of simulators now being used to train personnel in complex maritime warfare without the associated risks, logistics and costs of seagoing training programmes.

Seeing the Bridge Trainer simulator first-hand was evidence of how harnessing technology can transform the value our defence team can provide its clients. Whether at the start of service or using AI in recruitment, dramatically reducing processing times or to the personalised training in the Royal Navy which is already improving user experience and getting better trained people to the frontline

faster. We are actively supporting defence customers to utilise new and innovative technology to meet their most demanding challenges. The exploitation of people data, analytics and AI can bring a step-change in organisational agility, driving better decision-making with the use of actionable data.

Capita's contribution to the defence sector brings substantial value through enhanced capabilities, expert solutions and strategic support, ultimately contributing to the overall effectiveness and readiness of the UK's defence operations with a more agile responsive approach whilst also delivering cost efficiencies. We are proud to support the UK Armed Forces in delivering operational capability at the speed of relevance. By overseeing various support functions, Capita allows the Ministry of Defence (MoD) to concentrate on its primary mission—defence and national security.

Adolfo Hernandez
CEO, Capita Plc



Defence has rarely been far from the headlines over the past year. At Capita, we fully understand the ever increasing and uncertain global security situation and how it may affect what we deliver into defence.

Ultimately, enabling agility while maintaining excellence on our core delivery serves both the MoD and the wider UK population.

In Capita's defence sector we have several significant projects currently running with the Project Selborne / Royal Navy strategic partnership continuing to go from strength to strength. When it comes to the vital component of how our people deliver operational advantage, the need for agility is paramount. This is reflected through the strategic, collaborative and entrepreneurial approach taken by the Royal Navy in this 12-year training transformation programme, which the Capita led Team Fisher has successfully delivered in its first three years.

We are acutely aware of the global challenges being faced across the recruitment and retention landscape for all Armed Forces worldwide. The UK's services are no different. Our recruitment work, in close partnership with the Army, has seen many improvements this year. The new high-impact marketing campaign is driving record applications and creating a much more positive pipeline than the last two years. Additionally, enhancements to the candidate portal are creating higher levels of engagement and nurturing, ensuring that candidates progress through their initial training and beyond.

Across our defence enterprise we are actively supporting diversity. At the beginning of the year Capita hosted a dinner with MPs and Peers at the Houses of Parliament to discuss the importance of having diverse and vibrant Armed Forces. We firmly

believe that inclusivity plays a key part to successful recruitment, retention and upskilling of our exceptional Armed Forces.

Capita's work in defence continues to provide great value and we are looking forward to further opportunities to support vital MoD activities in 2024/25. Arguably, with the current set of international circumstances, defence is set to remain at the forefront of our national requirements and Capita remains steadfast in its commitment to deliver for our nation's Armed Forces.

David Hook, CBE

Managing Director,
Capita Defence and National Preparedness

At a Glance

January **2024** saw the highest number of army applications in 6 years

98% of all 16-34 yr olds reached by targeted marketing

9.1 million visits to the Army Jobs website this year, up by 38% (24 vs. 23)

Joining time for soldiers down by **25%** since 2015. Now only 5 months

Best Recruiting Website in the RAD awards **2024**

An average of **500** British Army Supporting Education workshops delivered to more than **40,000** students every year

669 Veterans and **80** Reservists across Capita's Public Service division

7,357 Royal Navy apprentices in the 2023/2024 funding year

2,761,620 Royal Navy training days delivered 2021-24

100% of KPIs reported green since April 2021

26,000

Fire Risk Assessments conducted globally

292,000

hours of Defence Fire & Rescue cover

£90 million

Defence Fire & Rescue Transformation Programme

Actioning the Haythornthwaite Review

Capita welcomed the Haythornthwaite Review of Armed Forces Incentivisation (HRAFI) that was published in June 2023. Arriving at a crucial time, it addresses the heightened scrutiny on recruitment and training processes within our armed services, focusing on the lived experiences and challenges of maintaining highly motivated and incentivised personnel. The global security context cannot be ignored; we understand our part in providing the best possible services to our Armed Forces.

Recommendations 38 and 39 emphasise the importance of fostering a broader societal understanding of the military and proactively engaging with individuals who may not have previously considered a military career.

- **Recommendation 38**

Build connections and understanding in broader society through a newly reinvigorated outreach and engagement capability. Apply our five-step approach that combines innovative, risk-taking engagement online with real-life opportunities.

- **Recommendation 39**

Target these newly engaged, more diverse and skilled populations to bring more recruits into the Services. Ensure that processes use innovative mechanisms focused on bringing in people with the quality and aptitude needed, and that they do so as quickly as possible.

Based on extensive research involving over 10,000 participants, our recent recruitment campaign 'You Belong Here' was developed in close collaboration with the British Army. This initiative aims to dispel common misconceptions among 59% of young people who hold the same values yet do not believe they would 'fit' in the Army.

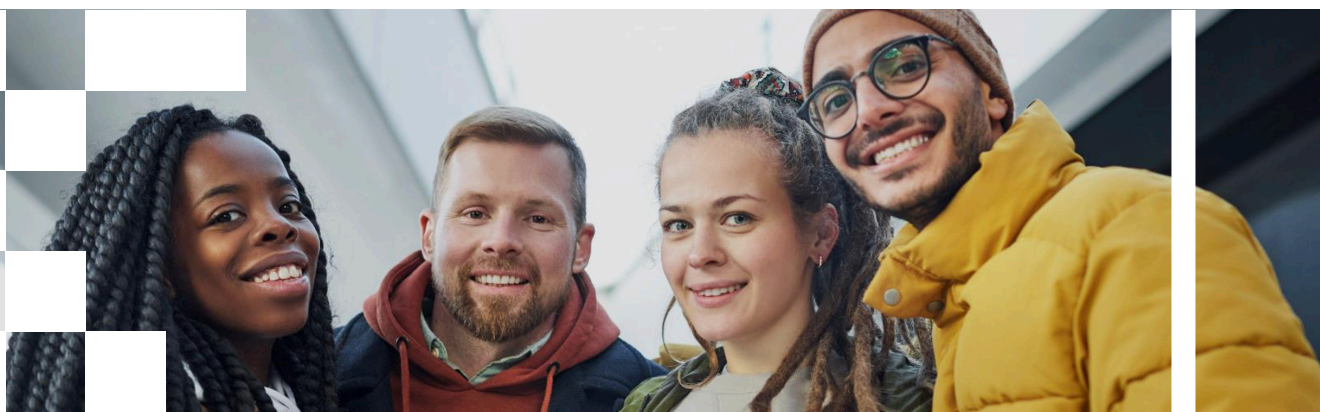
The Haythornthwaite Review marks a significant milestone in highlighting the 'people-value-proposition' for our Armed Forces. The task ahead is not without its challenges, and we at Capita echo Rick Haythornthwaite's words that "the greatest challenge will be to implement everything, without cherry-picking the easy parts."

Several of the recommendations from the review will be delivered by Defence's ambitious vision for the Armed Forces Recruitment Service (AFRS).

Informed by our experience and knowledge of what it takes to successfully deliver Army recruiting, we have designed our AFRS solution to take advantage of this generational opportunity to transform Armed Forces recruiting to fulfil Defence's vision:

- We have a transformed attraction strategy which will reach increased numbers and more diverse candidates.
- Our transformed recruitment process is underpinned by research to ensure the candidate experience enables higher conversion of applications to recruits, as well as substantially reducing the time it takes.
- Our early eligibility checks and innovative conditional offer (eligibility pass for officers) will establish the psychological contract earlier with candidates, enabling increased nurturing and preparation of these eligible candidates.
- Our engaging and intuitive process provides value for money through a common tri-Service approach whilst maintaining relentless pursuit on single Service outcomes.

We are committed to military recruiting and are confident that our AFRS solution can meet 100% of the single Services' recruiting demand: this is now critical and urgent as the Armed Forces adapt to a much more contested world.



Advancing training transformation: The Selborne journey

Selborne is a multi-stranded 12-year programme which commenced in April 2021 to deliver, transform and modernise Royal Navy and Royal Marines training. This strategic partnership between Team Fisher (the consortium delivering Selborne, led by Capita) and the Royal Navy is transforming 80% of shore-based training for sailors and marines across 14 sites. Team Fisher partners include Raytheon UK, Elbit Systems UK, Fujitsu and the University of Lincoln. The objective is to make learning more personalised for service personnel and ultimately ensure the Royal Navy can provide better trained people to the frontline, faster.

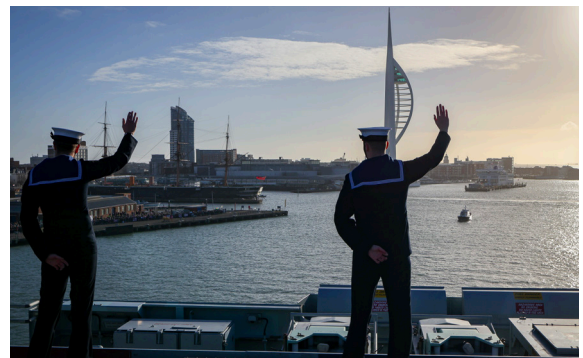
As we move into the next three years of Selborne's journey, we will maintain excellence in the delivery of day-to-day training outcomes for sailors and marines, alongside training transformation and modernisation. Our continued development aims to provide a more learner-centric, digitally enabled curriculum, introducing improvements in both technology and learning environments. We expect an increase in levels of 'active' learning, which will continue to increase with the greater use of digital and further technology driven simulations of 'real life' operating environments.

Education and training delivery continues to make up most of the programme. Over the past three years, we have also successfully installed new state-of-the-art bridge training simulators across several sites. We have introduced virtual reality training headsets for the School of Flight Deck Operations and are working towards the delivery of a new centre for submarine training,

which will see the majority of submariner training move to a 21st century environment on HMNB Clyde.

We are working towards data delivered and AI-led training support, planning, scheduling and quality management, working side-by-side with Royal Navy instructors. We plan to use optimisation tools to ensure that training is flexible and where possible delivered at a pace which is personalised to suit individual learning styles. We have also significantly improved the collection and reporting of management information which is driving actionable insight right across Selborne.

Ultimately, we aim to support every sailor and marine in maximising their true potential, helping them become more competent, confident, and capable throughout their careers. By offering effective and efficient training, we ensure that trainees are prepared for operational duties in a timely and proficient manner.



A three year overview to March 2024

- ✓ **Over 11,000 training courses completed** since April 2021
- ✓ **2.7 million training days** delivered
- ✓ **Trained over 1000 international students** from 71 nations, including Ukraine
- ✓ **Three years of KPIs reported as green**, celebrating consistent excellence in training outcomes

Empowering educators: Putting people at the heart of training excellence

Selborne celebrated its third anniversary this year and is going from strength to strength. To date, there has been a major focus on the upskilling of more than 1,000 educators, who have delivered over 650 different training courses to maintain a pipeline of trained Royal Navy personnel. The quality of educators is a keystone as we embark on the next stage of the contract's delivery in years four to six.

Working with consortium partner, the University of Lincoln, modern best practices are being developed to dramatically increase engagement and skill levels across the educator workforce.

We are committed to developing our educators as dual-professionals – with world-leading technical and operational subject expertise aligned with engaging and highly effective approaches to learning. We have also enabled both existing and new trainers to receive guidance and access to extensive continuous professional development opportunities through external educational professional bodies, further professionalising and acknowledging the importance of these educators' roles.

Agile delivery of advanced bridge simulators

As part of the Selborne contract, Capita, supported by MetaVerse VR, led the delivery of new state-of-the-art bridge trainers at several key sites, including HMS Collingwood in Fareham, home of warfare training; Britannia Royal Naval College in Dartmouth, the spiritual home of naval officers; and the home of the Submarine Service in Faslane.

The new state-of-the-art simulated ship's bridges have the software capability to recreate the bridges of the entire fleet, harbours and waters around the globe, as well as challenging weather conditions by day and night. Alongside VR headsets, which deliver a fully immersive experience for certain activities, there are capabilities that allow realistic troubleshooting of issues that can arise on a vessel. The high-resolution screens and 360-degree views create a realistic

maritime environment, complete with sea states and other maritime traffic.



“The old simulator was good, but you knew you were in a room with some screens. Here, you feel like you are stepping onto the bridge of a warship. It is very easy to become immersed in the situation – it makes everything feel much more real.”

Sub-Lieutenant Stephen Smallman

Revamping submariner training: A new era at HMNB Clyde

We are delivering a modernised centre of learning excellence for submariners by relocating learning services from the south coast to a single, integrated submarine operating base being built at HMNB Clyde, Scotland. Team Fisher is shaping the future of submarine training by modernising courses and the environment, delivering brand new equipment and teaching in a new, state of the art facility that accommodates approximately 600 trainees annually.

Royal Navy submariners will be able to take greater ownership of their careers with centralised training at HMNB Clyde, reducing travel needs and enhancing training opportunities with advanced technology and realistic environments and scenarios to aid their confidence.

Team Fisher also assumed responsibility for Submarine Escape Rescue, Abandonment and Survival (SMERAS) in late 2023. Based at HMNB Clyde, SMERAS is a unique, modern, purpose-built facility that enables the Royal Navy and Team Fisher to deliver essential on shore training for personnel in vital escape, rescue, abandonment and survival techniques using a unique,

controllable training environment. The individual and collective training is centred on a blend of practical and classroom teaching, with the SMERAS facility capable of delivering a minimum of 82 courses to more than 2,700 trainees per year.



Cultivating a culture of progressive collaboration

The culture within Selborne and among those involved in Royal Navy training has an overarching impact on everything that Team Fisher seeks to achieve. From the onset of the contract, we encouraged our people to move towards a culture of strategic partnering and collaboration. Our training must keep pace with wider societal shifts and offer a welcoming and encouraging environment. We're fostering a culture where we all work in an open, inclusive way, where everyone can be themselves – respected and accepted. We collaborate and support each other, remain open-minded, involved and willing to give and receive feedback.

People create culture, so we put people at the heart of our culture change programmes. Working with our leaders, and against a backdrop of a uniformed, revolving workforce, and sometimes competing cultures and priorities, we maintain focus on how we operate, alongside what we deliver.

We focus on behaviours and skills that broaden and deepen our strategic partnership; empowering and inspiring all leaders to take ownership of the evolving culture. Using our Culture Code Index of Clarity, Climate and Conversation as a guide, we conduct an annual review that measures and maintains the focus on partnership and collaboration behaviours. Year-on-year we've improved these metrics.

Upskilling educators across the training system is essential to help foster the right culture to do the right things in the right way. We've initiated this very successfully in the first three years of the Selborne contract, providing educators with the means to deliver the highest quality of training essential to maintain the high standards and the ideal culture for the Royal Navy.



Adapting military recruitment for modern challenges: Improving engagement, applications and outcomes

The recruitment landscape in the UK has changed dramatically over the last decade, presenting new challenges, particularly when it comes to recruiting young people for a career in military service. A challenging labour market, changing demographics and shifts in physical and mental health have presented recruitment hurdles across all three branches of the UK military. These challenges are also widely acknowledged by many other nations. In this context and in response, we have reinforced our close partnership with the British Army to recruit the right people for the right roles throughout the Army.

The recruitment process is designed to ensure that all those who might be a good fit for the Army, as well as those who express an interest, are given the best possible chances of making it through the gates on the first day of training. Last year, we deployed a number of technology-enabled enhancements to the end-to-end

recruitment service, spanning from candidate attraction to the start of basic Army training. This process is supported by a network of 60 career offices nationwide and a skilled cadre of civilian and military recruiters – and is underpinned by key activities in marketing, candidate assessment, and candidate nurturing.

Revitalising the recruitment pipeline

We have made significant strides to rebuild a strong pipeline of applicants, which has been a challenge following the Covid pandemic. Over the last 12 months, we have more than doubled the active pipeline. In the last recruiting year (2023/2024), we received over 130,000 applications, interviewed 32,000 Regular and Reserve candidates and assessed over 10,000 of them. Currently, we serve over 30,000 active candidates in the pipeline.



Technological advancements in recruitment

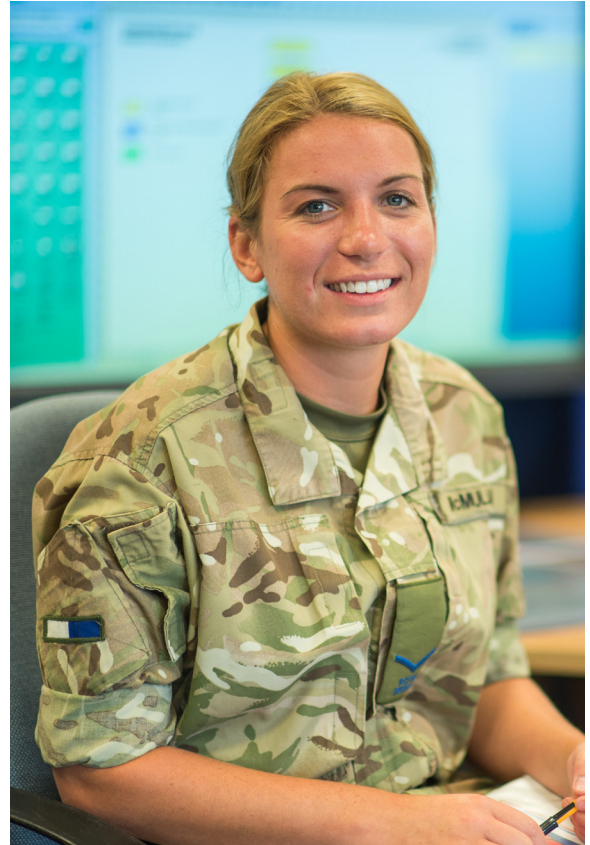
We have introduced new technologies to make the process quicker and simpler for candidates. A new candidate portal has been launched to simplify the initial application process and the average time for soldiers to join has now been reduced to five months, marking a 25% decrease since 2015. Additionally, this year, an extra 6,400 candidates have been recruited into the British Army, nearly 900 more than the previous year (2022/2023). Officer recruitment has also achieved 94% of its target, with all three intakes at Royal Military Academy Sandhurst (RMAS) being full.

Targeted marketing

Our efforts to find the right candidates have involved extensive targeted marketing across the UK. From November 2023 to February 2024, our campaigns reached over 98% of the 16-34 age group, the precise age group the Army needs to recruit from. The focused approach resulted in 9.1 million visits to the Army Jobs website this year, an increase of over 38% compared to the same period last year, earning us the accolade of Best Recruiting Website at the RAD Awards 2024.

Enhancing application conversion rates

The conversion of interest to applications is crucial, and this is where much of our focus has been. We are forecasting a significant improvement in recruiting year 2024/2025, driven by a stronger pipeline and a reduced end-to-end application timeframe for candidates, helped by the new candidate portal. However, we remain acutely aware that one of the key risks to recruitment performance in 2024/2025 are the difficulties faced by our candidates in navigating a rigorous, multi-stage medical assessment process. In response, we continue to collaborate with the Army medical team to mitigate this risk, implementing innovations such as the use of machine learning to further expedite medical evaluations. Additionally, we are



introducing digital processes for the request and receipt of candidate medical records, where early trial data suggests the potential reduction in processing time from a month to just a few days.

However, it is crucial to strike a balance between accelerating the application process and candidate assessments. This balance ensures the correct level of due diligence is adhered to at all times and that all candidates meet the required standards set by the Army, before embarking on a fulfilling career in the British Armed Forces.

Key successes in 2023/2024

- ✓ 9.1 million visits to the Army Jobs website – an increase of 38% from the previous year
- ✓ Over 130,000 applications
- ✓ 32,000 Regular and Reserve candidates interviewed
- ✓ Officer recruitment has achieved 94% of its target – all three intakes at RMAS were filled

Capita Fire and Rescue: Operational advancements and innovations

At Capita Fire and Rescue, our collaboration with the Ministry of Defence (MoD) through the delivery of the Defence Fire and Rescue Project (DFRP) exemplifies our commitment to providing mission-critical services which enable the military to operate in the UK and overseas.

Now in its fifth year, the DFRP represents a 12-year contract designed to deliver an efficient, agile and responsive fire and rescue service. It protects the UK's critical assets and people while improving safety for firefighting teams, fire risk management, and training provisions. This year, as the Capita Fire Service College celebrates its 50th anniversary, we continue to innovate in service delivery, training methodologies and IT infrastructure. These advancements enable us to effectively capture, monitor and analyse data across the defence estate. Every day, we work with our MoD colleagues, ensuring the safety of military personnel and critical assets during operations and exercises.

A collaborative operational response

In 2023-24, Capita Fire and Rescue managed over 3000 incidents, including 342 fires, and provided more than 292,000 hours of dedicated fire and rescue coverage for defence purposes. Our teams conducted 26,000 fire risk assessments across the globe and actively supported a number of UK and overseas military operations and exercises.

Environmental responsibility and Sponsored Reserves initiative

The £90m transformation programme has also seen the complete replacement of the vehicle fleet, with the provision of 138 cleaner, greener, state-of-the-art firefighting appliances.

This year has also seen the introduction of the Sponsored Reserves initiative, deploying Capita firefighters to military exercises and operations. These professional firefighters are trained to acquire and maintain core military competencies. Currently, we are in the process of recruiting an initial cadre of 139 firefighters.



Supporting the safety of major events

In 2023, Capita Fire and Rescue supported the Royal International Air Tattoo (RIAT) and will continue to provide this support in July 2024. Our fire risk assessments play a crucial role in ensuring the safety of both service personnel in supporting military camps and over 200,000 members of the public attending the event.

Working with the RAF and other departments, Capita Fire and Rescue deploys personnel, vehicles and equipment critical to the success and safety of RIAT.





National preparedness: Our approach

Capita Defence is developing a new business proposition focused on national preparedness. This holistic societal approach aims to anticipate, prepare, mitigate, prevent, respond and recover from both known and unknown civil threats. By integrating military and civil preparedness, the aim is to ensure that military, public, private and third sector organisations are able to maintain government services in any given situation. The focus on national preparedness is a direct response to the Cabinet Office's National Resilience Framework, which outlines the steps that need to be taken to enhance the country's resilience during crises.

Our proposition seeks to bring together the strengths of our defence capabilities and national preparedness efforts to provide a range of solutions to customers. The solutions will include a range of tailored assessment tools building into a national risk database with the provision of training and national exercising programmes, the supply of resilience crews and firefighters and thought leadership on strategic approaches and responses.

Strategic advancements in defence procurement: The DIPS Framework

Large procurement projects across defence can present their own unique challenges. One recent example, now successfully delivered in November 2023, was the Digital and IT Professional Services Framework (DIPS). In partnership with Defence Digital (DD) and Crown Commercial Services, we tackled the Ministry of Defence's resourcing paradigm by jointly designing, developing and delivering the four-year multi-lot DIPS framework.

The procurement, led by the DD Commercial Team and Capita's Procurement Solutions team,

involved large scale defence-wide collaboration over a three-year period. Supported by more than 130 colleagues across the DD business, we delivered the design and development of the Pre-Qualification Questionnaire (PQQ) and Invitation to Tender (ITT). Additionally, we managed the moderation and evaluation of submissions, scrutinised the business case and maintained external engagement with 200 potential supply partners, the Cabinet Office and HM Treasury.

Electranet and BT Enterprise: Providing connectivity with Defence Business Internet (DBI)

In today's interconnected world, having access to reliable WiFi is not just nice to have, it's a necessity. Electranet, our secure network infrastructure specialist, has partnered with BT Enterprise for over a decade to ensure the expansion of DBI, a secure dedicated single sign-in WiFi solution. This partnership aims to enhance connectivity for Armed Forces personnel across military bases.

Specifically designed for the UK Armed Forces, DBI utilises thousands of kilometres of secure cabling to deliver high-speed connections for over 70,000 personnel for both operational and welfare purposes. Our service spans across more than 130 sites in the UK, Germany and Cyprus. Whether the Army, Royal Navy, or RAF personnel are at their desk, at base, or elsewhere, they always have access to business-grade WiFi, transforming the way that they work and enabling a more flexible and mobile working environment.

When off-duty, the solution also enhances the lived experience for single soldiers accommodated at MoD sites by facilitating content streaming and communication with friends and family. DBI is also used across the Armed Forces for a wide range of welfare activities, including social media, online shopping and e-gaming, providing a better experience for all serving personnel and their families.





Championing change: Our commitment to Environmental, Social and Governance (ESG) initiatives

In recent years, the focus on Environmental, Social and Governance (ESG) programmes, particularly Equality, Diversity and Inclusion (EDI) in defence has rightly become more widespread. We have been at the forefront, leading initiatives in social value in two specific areas: encouraging female participation in defence and supporting veterans.

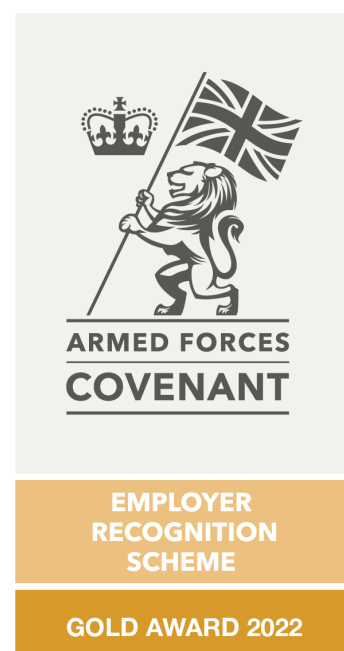
We remain committed to our pledge in the Armed Forces Covenant. As a Gold Employee Recognition Scheme holder, we are taking positive action in making our workplace and culture more reservist-friendly and supporting the wider defence personnel requirements. We encourage our employees to actively support their defence cadre and identity.

Across Capita's Public Service division, we have 669 veterans and 80 reservists, who form an integral part of our teams, especially in our defence, learning, fire and security businesses, where veterans and reservists make up approximately one third of the workforce. We recognise the invaluable experience and skills they bring, such as strategic management, leading and motivating staff, effective teamwork, a positive can-do attitude and exceptional listening skills. That is why we are committed to creating a diverse, inclusive environment where everyone can bring their whole selves to work and feel welcomed, respected and valued for who they are.

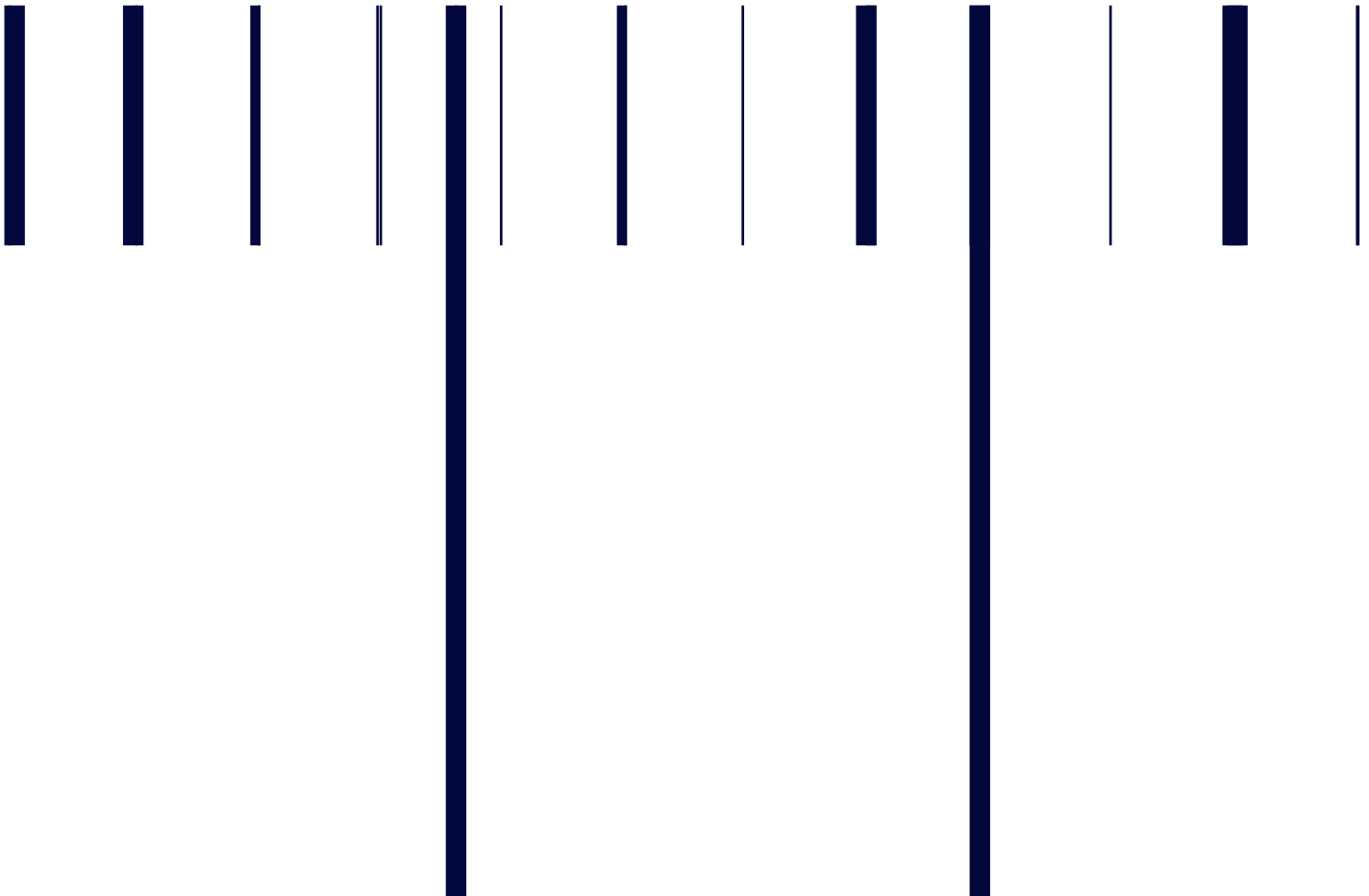
The initiatives we are driving in defence have also enhanced Capita's wider reputation.

It was an honour to see Capita being recognised by Forbes in 2023 as one of the top companies for women to work for worldwide. We are proud of our diverse and talented workforce, which includes over 30,000 women globally, and our PLC Board and Executive Committee, each comprising over 40% women.

We know we can all do more, but at Capita, we are confident in the work we are doing to enhance our already impressive social value offering for our employees, customers and wider society.







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